

Department of Finance

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY FUND CATEGORY					
Dedicated	5,139,800	5,098,800	5,526,000	5,918,200	5,627,200
Percent Change:		(0.8%)	8.4%	7.1%	1.8%
BY OBJECT OF EXPENDITURE					
Personnel Costs	3,666,200	3,547,500	3,856,200	4,235,200	3,990,000
Operating Expenditures	1,370,900	1,448,700	1,467,200	1,590,200	1,583,800
Capital Outlay	102,700	102,600	202,600	92,800	53,400
Total:	5,139,800	5,098,800	5,526,000	5,918,200	5,627,200
Full-Time Positions (FTP)	52.00	52.00	52.00	54.00	54.00

Department Description

Originally created by the State Legislature in 1905, the Department of Finance is a regulatory agency charged with the supervision and oversight of state-chartered financial institutions, regulated lenders, securities issuers, broker-dealers and stockbrokers, residential mortgage brokers and lenders, investment advisers and sales personnel, collection agencies, endowed care cemeteries, and others.

The mission of the department is to aggressively promote access to vigorous, healthy and comprehensive financial services for Idaho citizens. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities, and credit transactions. Through administration of laws enacted by the Idaho Legislature, legitimate financial transactions are encouraged, while fraud, unsafe practices, and unlawful conduct are detected and appropriate enforcement action is taken. The department administers and enforces 22 regulatory statutes and is funded entirely by fees levied by law on the industries subject to its supervision.

[Statutory Authority: §67-2701 et seq., Idaho Code]

Department of Finance

Agency Profile

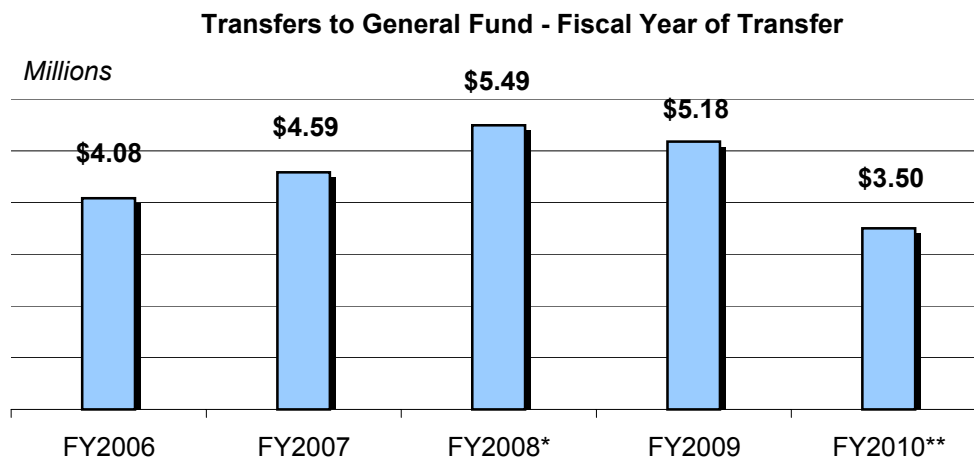
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Selected Measures

CASE MANAGEMENT/SERVICES PROVIDED	FY 2005	FY 2006	FY 2007	FY 2008
Financial Institution Examinations				
Banks	23	25	25	31
Business and Industrial Dev. Corporations	0	1	1	1
Credit Unions	39	32	29	31
Collection Agencies	30	32	44	20
Licenses Issued				
Money Transmitters	44	44	38	40
Consumer Credit Lenders	3,175	1,875*	1,550	743*
Collection Agencies (Permit Renewals)	564	608	654	645
Solicitors/Collectors	61,914**	46,466	57,076	60,536
Securities Brokers/Dealers	1,522	1,524	1,554	1,550
Securities Salesmen Agents	63,102	67,459	75,844	80,358
Securities Investment Advisors	740	815	873	947
Securities Investment Advisor Agents	1,336	1,513	1,734	2,018
Residential Mortgage Brokers/Lenders	1,586	1,857	1,908	1,408
Mortgage Loan Originators	N/A	3,920***	4,716	3,392

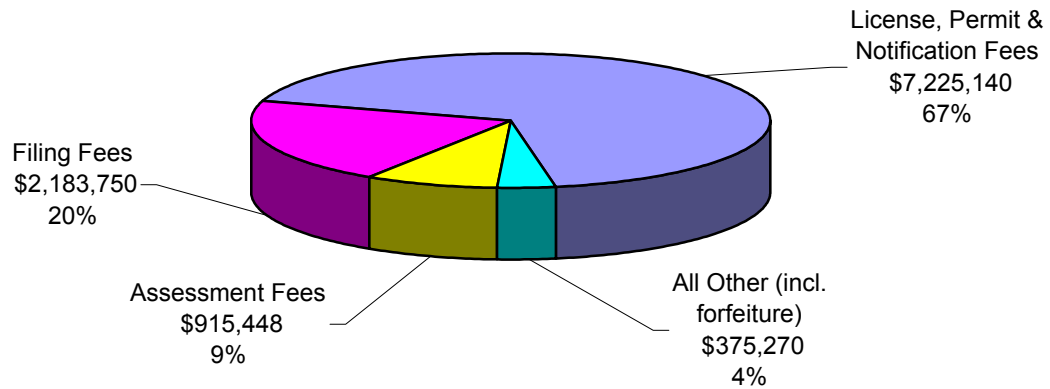
*License classification changes (2006 & 2008 law amendments).
 **Fluctuation due to database reporting (no impact on fee collection).
 ***Loan originator licensing was implemented January 1, 2006.

GENERAL FUND TRANSFERS

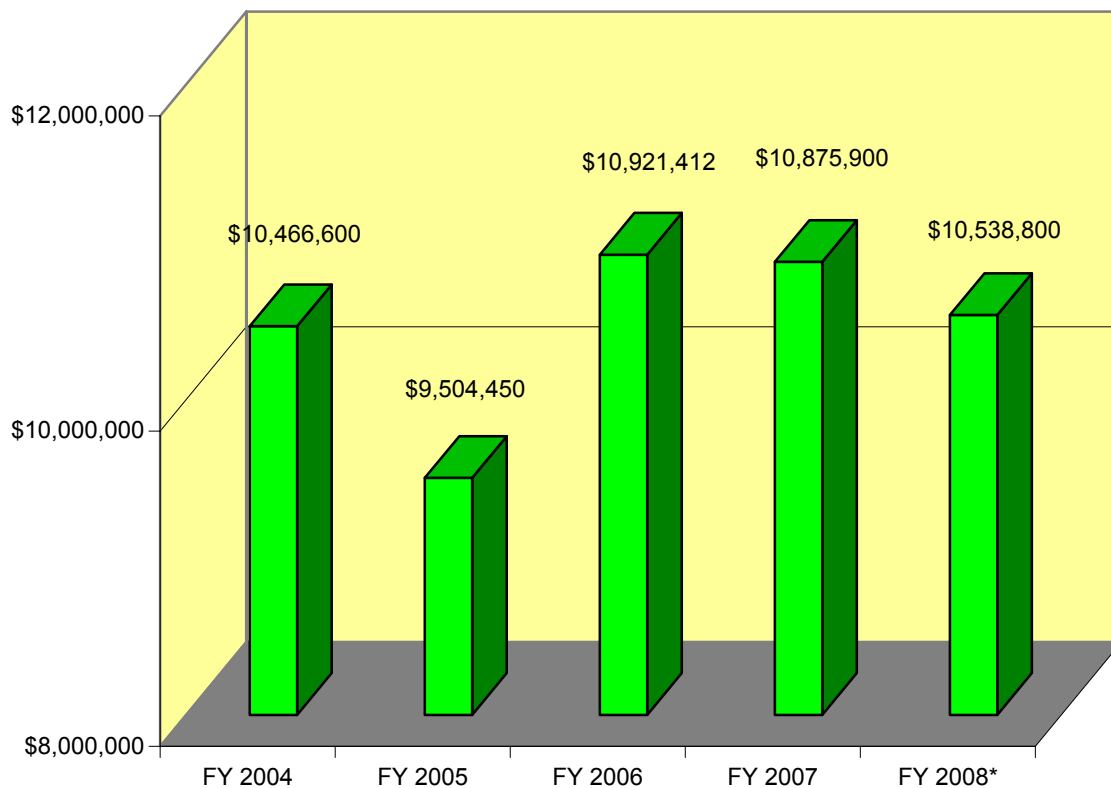


FY 2008 Actual Revenues

Total - \$10,699,608



Financial Administration Fund Balance



* Figures are based on revenue projections.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	52.00	0	5,526,000	52.00	0	5,526,000
Health Insurance Reduction	0.00	0	0	0.00	0	(26,000)
FY 2009 Total Appropriation	52.00	0	5,526,000	52.00	0	5,500,000
Removal of One-Time Expenditures	0.00	0	(245,200)	0.00	0	(245,200)
FY 2010 Base	52.00	0	5,280,800	52.00	0	5,254,800
Benefit Costs	0.00	0	42,900	0.00	0	16,900
Inflationary Adjustments	0.00	0	11,600	0.00	0	5,200
Replacement Items	0.00	0	157,600	0.00	0	118,200
Statewide Cost Allocation	0.00	0	62,200	0.00	0	62,200
Change in Employee Compensation	0.00	0	100,000	0.00	0	0
FY 2010 Program Maintenance	52.00	0	5,655,100	52.00	0	5,457,300
1. Position Reclassifications	0.00	0	91,200	0.00	0	0
2. Credit Union Examiners	2.00	0	171,900	2.00	0	169,900
FY 2010 Total	54.00	0	5,918,200	54.00	0	5,627,200
Change from Original Appropriation	2.00	0	392,200	2.00	0	101,200
% Change from Original Appropriation			7.1%			1.8%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	52.00	0	5,526,000	0	5,526,000
Health Insurance Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	0	(26,000)	0	(26,000)
FY 2009 Total Appropriation					
Agency Request	52.00	0	5,526,000	0	5,526,000
Governor's Recommendation	52.00	0	5,500,000	0	5,500,000
Removal of One-Time Expenditures					
Agency Request	0.00	0	(245,200)	0	(245,200)
Governor's Recommendation	0.00	0	(245,200)	0	(245,200)
FY 2010 Base					
Agency Request	52.00	0	5,280,800	0	5,280,800
Governor's Recommendation	52.00	0	5,254,800	0	5,254,800
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	0	42,900	0	42,900
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	0	16,900	0	16,900
Inflationary Adjustments					
Inflationary increases are calculated using the ongoing base for operating expenditures and trustee & benefit payments multiplied by an agency-specific inflation factor. The inflationary adjustment reflects a 0.8% increase in total funds. The requested amount includes \$11,600 for general inflation.					
Agency Request	0.00	0	11,600	0	11,600
<i>The Governor recommends fuel costs for general inflation.</i>					
Governor's Recommendation	0.00	0	5,200	0	5,200
Replacement Items					
Includes \$7,400 for two scanners; \$15,600 for 13 laptop computers; \$1,500 for 13 docking stations for laptop computers; \$14,400 for 18 personal desktop computers; \$4,600 for 23 monitors for laptops and desktop computers; \$23,100 for one hybrid sedan; \$16,700 for Microsoft software contracts; \$10,500 for software subscriptions; \$10,000 for encrypted email subscription; \$8,000 for server software; \$6,400 for printer cartridges; \$6,600 for computer supplies; \$1,400 for two desks; \$9,600 for two copier leases; \$13,800 for six color workgroup printers; and \$8,000 for five workgroup printers.					
Agency Request	0.00	0	157,600	0	157,600
<i>The Governor recommends ten personal computers for \$8,000; three color printers for \$6,900; four black and white printers for \$6,400; \$73,800 for desks, office supplies and software agreements; and one vehicle for \$23,100.</i>					
Governor's Recommendation	0.00	0	118,200	0	118,200
Statewide Cost Allocation					
The request includes adjustments to recover the costs of services provided to state agencies: \$61,200 for Attorney General fees; a reduction of \$100 for property and casualty insurance premiums; \$700 for State Controller fees; \$400 for State Treasurer fees.					
Agency Request	0.00	0	62,200	0	62,200
Governor's Recommendation	0.00	0	62,200	0	62,200

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request.					
Agency Request	0.00	0	100,000	0	100,000
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Program Maintenance					
Agency Request	52.00	0	5,655,100	0	5,655,100
Governor's Recommendation	52.00	0	5,457,300	0	5,457,300
1. Position Reclassifications					
The Department of Finance requests \$91,200 ongoing funding for position reclassifications which are: four financial examiner/investigator positions and one financial specialist. According to the Department of Finance, these steps are necessary to keep with succession planning and employee development goals by instituting an investigator/examiner career ladder. It will also upgrade the financial technician to specialist as approved by DHR in 2006.					
Agency Request	0.00	0	91,200	0	91,200
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
2. Credit Union Examiners					
The Department of Finance requests 2.0 full-time credit union examiners. The request is for \$144,900 ongoing personnel costs, \$24,000 ongoing operating expenditures, and \$3,000 one-time spending authority in capital outlay for a total of \$171,900. These are financial institution examiner positions. Job duties include on-site examinations and off-site monitoring, responding to inquiries and complaints, performing analysis, conducting outreach and education of industry members, and serve as liaisons for federal and other state regulatory agencies. An examiner position was last added in 1998. Total assets for Idaho credit unions have grown from \$487 million in 1998 to \$1.8 billion.					
Agency Request	2.00	0	171,900	0	171,900
<i>The Governor recommends this line item as requested minus \$2,000 for health insurance costs as reflected in the health benefits plan proposal.</i>					
Governor's Recommendation	2.00	0	169,900	0	169,900
FY 2010 Total					
Agency Request	54.00	0	5,918,200	0	5,918,200
Governor's Recommendation	54.00	0	5,627,200	0	5,627,200
Agency Request					
Change from Original App	2.00	0	392,200	0	392,200
% Change from Original App	3.8%		7.1%		7.1%
Governor's Recommendation					
Change from Original App	2.00	0	101,200	0	101,200
% Change from Original App	3.8%		1.8%		1.8%